



U.S. Department of Justice

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For Immediate Release:

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EVENT: Civil Judgement

Defendant: Elena Szilvagy

**JUDGE ORDERS CLARKSTON HOME HEALTH CARE OWNERS
TO PAY U.S. \$2.5 MILLION IN DAMAGES FOR FALSELY BILLING
MEDICARE FOR COST OF BUILDING 10,000-SQUARE FOOT HOME**

A Clarkston couple that falsely billed Medicare for the cost of building a 10,000-square foot home on a golf course near Pine Knob have been ordered to pay more than \$2.5 million in civil damages by a federal judge, United States Attorney Stephen J. Murphy announced today.

Joined in the announcement were FBI Special Agent in Charge Daniel Roberts and Thomas Spokaeski, Assistant Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General.

Elena Szilvagy, 54, and her husband David Szilvagy, 53, and their now defunct home health care company, Prime Care Services Inc., were found liable for \$2,528,972 in damages and civil penalties in an opinion issued October 27, 2005 by United States District Judge Lawrence P. Zatkoff.

"Individuals who defraud Medicare are profiteering at the expense of our nation's elderly patients and put the entire system at risk. This kind of fraud makes everyone a victim," said

U.S. Attorney Stephen J. Murphy. "Health care fraud is among the highest priorities of the Justice Department and the U.S. Attorney's Office. This result demonstrates my office's determination to recover funds inappropriately billed to Medicare and to punish those who cheat the system."

The award, which included treble damages and civil penalties, followed a civil complaint filed in June 2004 and motion for summary judgment brought against the couple and their company by the U.S. Attorney's Office alleging the defendants violated the Federal False Claims Act. The Act allows the government to collect treble damages for fraud against the United States. The opinion and order will allow the United States to garnish future earnings of the Szilvagyis until the debt is repaid.

Elena Szilvagyis, the former president of Prime Care, is currently serving a 48-month federal prison sentence. She pleaded guilty in February 2004 in the Western District of Michigan to conspiracy to commit health care fraud and mail fraud. Her husband David Szilvagyis, who served as Prime Care's director of computer services, is serving a 30-month prison sentence, after pleading guilty to the same offense.

As part of their convictions in the criminal case, the Szilvagyis were ordered in June 2004 by United States District Judge Robert Holmes Bell in Grand Rapids to pay restitution to Medicare of \$836,324 and an additional \$29,321 to Blue Cross Blue Shield of Michigan for filing annual reports that falsely claimed the costs of building their new home as legitimate home health care expenses. Among other things, the Szilvagyis were found guilty of putting the salaries of the home's builder, architect, painter, mason, carpenter and plumber on Prime Care's payroll and then obtaining reimbursement from Medicare for those expenses.

In his opinion, Judge Zatkoff ordered the Szilvagyis and Prime Care, a Southfield-based company which once employed more than 400 employees, to pay \$2,508,972 (three times the loss to Medicare) and an additional \$40,000, or \$10,000 for each of four false claims the couple's company filed with the government.

Judge Zatkoff rejected the argument, offered by the Szilvagyis' attorney, that the award in the civil case should be stayed while the Szilvagyis appeal their criminal convictions.

The United States civil complaint against Elena Szilvagyí's parents, who served as employees of Prime Care and lived in the lavish home for free after it was constructed, is pending before Judge Zatkoff.

The Szilvagyis also face mandatory five-year exclusions from billing Medicare and Medicaid as a result of their health care fraud conviction.

The case was investigated by the Detroit offices of the U.S. Department of Health and Human Services' Office of Inspector General and the Federal Bureau of Investigation. The government's civil case against the defendants was handled by Assistant United States Attorneys Leslie Wizner and James Mitzelfeld.

The lawsuit is filed as U.S. v. Elena Szilvagyí et al, CV-04-72197 (E.D. Mich.).

Copies of Judge Zatkoff's opinion may be obtained from the U.S. Attorney's Office.